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JAMES N. HATTEN, Clerk
By: Deputy Clerk

MOTION TO REQUEST HEARING

Civil Action No# 1;15-CV-0859

Sale of Foreclosures vs Sale of Normal Real Estate Transaction

I want to start by making three undisputed facts: 1. All the properties purchased by LLCs were bought at City Foreclosure auctions, 2. The Preliminary injunction froze all bank accounts of WNY Account Solutions, WNY Solutions and WNY Solutions Group, which precluded the LLCs from rehabbing those properties. 3. The LLCs were also precluded from collecting rents on those properties, although there was considerable evidence that several properties were purchased prior to debt collection taken place in Atlanta. 4. The initial report submitted by the receiver noted that most of the properties were in poor condition, requiring extensive repair. These three undisputed facts contributed to the dilapidated and deteriorating condition of those properties, which lead to accumulation of City violations, fines and tax debt. As a result, the sale of those properties should not be viewed from the lens of a normal sale.

To view these properties through the lens of a normal sale is to ignore the fact that the properties were purchased at a foreclosure auction (distress sale) in the first place and in need of rehab. I have taken the time to contact a Real Estate Agent to obtain the listing sheets for some of these properties. I have labeled the listing sheets Exhibit A.

The listing sheet for Real Property 42 Roebling shows that the property was listed for $9,000.00 for two months. The open market determined that the property was less desirable. As a result, the price of the property was dropped twice so the property would receive some interest. The listing agent in the property report stated that the property had needed work on its foundation. (I have circled her remarks see Exhibit A)
This corresponds with the violation report from the city of Buffalo (Exhibit B Line 2). Later, the property (42 Roebling) was sold for $3000.00, which is the same price that the property was purchased for at the City of Buffalo auction. I bring this issue to the Court's attention to make it clear that this type of transaction isn't a normal Real Estate Sale. It is the sale of a foreclosure. The property never received the proper Rehab after it was purchased from the City of Buffalo foreclosure auction.

Some of this information can be found on line. See Exhibit C. This information can be found if you put in google 42 Roebling ave Buffalo, Ny 14215 under realtor.com. Please note: that the property appears to be boarded up. Further, it is also important to note that the property history section (page 4 of Exhibit C) suggest that the property was listed for 9,900.00 February of 2016 on the open market.

The open market dictated the sale price of the property based on the property (42 Roebling) poor condition. Also note the assess value of the property is much higher than the sale price of the property. The assess value reflects

the price the house should sale under normal conditions. The sale of 42 Roebling is not a normal sale. It is the sale of a foreclosure.

Typically foreclosed properties sale for anywhere from 10% to 60% of the market value because of the expected needed rehab work. I understand how this concept may be foreign to some at the CFPB or the Court. I am formally asking the court for a hearing to explain the concept. I believe this issue is becoming a major stumbling block towards the completion of this case.

The CFPB views 42 Roebling as a $50,000 asset that was sold for $3000.00 which is a fraudulent transaction. In reality, 42 Roebling was slated for demolition because it was riddled with housing court violations and in much need of rehab. If you could buy properties for $3000.00 and do no rehab and sell them for $50,000 6 months later, everybody in America would be buying foreclosed properties. The view that 42 Roebling avenue is a $50,000 asset contributes to the CFPB belief that I had 1.5 million dollars in assets. That belief that I have 1.5 million in assets is simply not true. The assess value reflects the property potential under normal conditions not its market value or appraised value. I understand how this concept may be hard to comprehend because

most American simply buy homes on the open market for market value. I am asking the Court for a hearing to explain this concept.

Sincerely,

Marcus Brown